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§16–408.

(a) A contract for a reversionary or survivorship annuity may not be delivered or issued for delivery in the State unless it contains in substance each provision required by this section.

(b) (1) Except as provided in paragraph (2) of this subsection, each contract for a reversionary or survivorship annuity shall include each provision specified in §§ 16-402 through 16-406 of this subtitle.

(2) As to the provision required by § 16-402(d) of this subtitle, the insurer may provide for an equitable reduction of the amount of annuity payments in settlement of an overdue payment instead of providing for deduction of payments from an amount payable on settlement under the contract.

(c) Each contract for a reversionary or survivorship annuity shall contain a provision that the contract may be reinstated within 3 years after the date of default in making stipulated payments to the insurer, on:

(1) the production of evidence of insurability satisfactory to the insurer; and

(2) (i) the payment of all overdue payments and any indebtedness to the insurer on the contract with interest at a rate specified in the contract not exceeding 6% per year compounded annually; or

(ii) the reinstatement as indebtedness on the contract of the amount stated in item (i) of this item, if this amount is within the limits allowed by the then cash value of the contract.

(d) (1) This section does not apply to group annuities or to annuities included in policies of life insurance.

(2) To the extent that a provision required by this section does not apply to a single premium annuity, the provision need not be incorporated in the contract.

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